

Speech

Chamber of Commerce of the United States

Express regrets for Mr. Dulles. Very sorry to miss this meeting. Wife's birthday. Sure that all of you married men will understand these priorities.

It is a pleasure to be here at the first meeting of the National Chamber's ad hoc Committee on the Communist Economic Offensive. [REDACTED] 25X1A9a of our Agency, who has been closer to the Soviet economic offensive over the past four years than anyone in the intelligence community, is here with me.

Let me relieve your minds at the outset by saying that we have no formally prepared speeches to give. We have a few points to offer for your consideration.

First, to bring you up to date on actions taken in recent years by our own Government to promote exports abroad and counter the Soviet Bloc's economic thrust.

Second, to call your attention to the recent report of the Committee on World Economic Practices made to the President, which recommends additional Government measures, and a closer business-government partnership.

Third, to bring to your attention some of the highlights of Bloc economic activities during the past year, so you can have a better feel for what the opposition is up to.

25X1A9a As [REDACTED] has said, the strikingly new thing about the evolving foreign economic policy of the United States is that

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American free enterprise is rapidly entering the field of diplomacy. For better or worse, the private dollar and the public dollar are carrying the flag together.

It is difficult to reason that the course of action should be otherwise. Private American investment abroad now exceeds \$40 billions. Increasingly we are dependent upon overseas sources of industrial raw materials.

At the same time, the economic strength of our Communist opponents has been growing very rapidly indeed. Increasingly, Soviet trade and aid to underdeveloped areas has influenced the policy of some of these nations. Not only does this mean a loss of Western political influence, but also a loss of Western trading opportunities. It is clear from the often repeated statements of Premier Khrushchev that the Soviet economic challenge is a long-range one. It is going to grow over the years, not diminish.

An outstanding feature of Communist programs has been their flexibility, the ability to move quickly to exploit a promising situation.

The United States Government has not been standing still in meeting the Soviet challenge. For example:

Two years ago, the Development Loan Fund was established. It is available to underdeveloped countries only; loans can be repaid in soft currencies.

Secondly, appropriations for the Export-Import Bank, were increased one billion dollars last year, to assist in financing

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the overseas trade of the United States.

Third, the Investment Guaranty Program, which gives insurance protection against private investment losses abroad because of expropriation, confiscation, war or because of inconvertible currencies, is moving ahead sharply. A recent count gave a total of \$1.3 billions in applications pending for such insurance.

Finally, the ICA program, the loans under PL 480 for agricultural products, and emergency grants such as the one last year to Jordan have been continued.

However, with all of this, the flow of capital to many of the lesser developed countries which today are the main targets of the Sino-Soviet Bloc, has not been adequate. One of the principal tasks of this Committee, as I understand it, will be to suggest incentives and techniques which will induce a flow of private capital into these critical countries.

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